App. F. IX-4.

1925: 6.

(G.F)

File No. G.F. 40.25.

Serial Nos. 2, 91, 92.

Previous references.

G.F. 5. 22. 56 & 57.

Preserve
R.
25/8/26

Later references.

G.F. 7. 26. (69) 14, 24, 25, 35 & 42

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. Three

Part B for August 26.

SUBJECT

② Informs that the Huzur Secretary has forwarded Promissory Notes worth Rs 1, 13, 000/- for the issue of a Stock Certificate and that the notes are in the personal name of the Huzur Secretary and proposes that in such cases the officers may be allowed to hold Stock only in their Official Capacity.

Sheo. 91. To The Compiler, Mysore Gazette

No. PL 1271 dated 14th August 26

P. 22
E

Notifies that the provision of Sub Section (1) of Section 6 of the Securities Regn. of 1925 Shall apply to the Huzur Secretary to His Highness the Maharaja.

AL 28/8

03083

G.7 40 15-2

5-22-57
267-3

No. 121 S1

OFFICE OF THE COMPTROLLER TO THE GOVERNMENT
OF HIS HIGHNESS THE MAHARAJA OF MYSORE,

Bangalore, dated 16th July 1925.

DIARY NO. 259

F. & REV. SECY.
No. 71
17 JUL 1925
G. D. SECTION.

BANGALORE.
Section.

From

T. SATYARAJ CHETTY, Esq., B.A.,
Comptroller to the Government of
His Highness the Maharaja of Mysore.

To

Rajakaryaprasaktha Dewan Bahadur
M.N.Krishna Rao, Esq., B.A.,
Financial Secretary to the Govt. of Mysore,
Bangalore.

Sir,

I have the honor to state that the Huzur Secretary to His Highness the Maharaja has sent to this office certain state loan Promissory Notes, the Proprietor of them being described as "T. Thumboo Chetty, Huzur Secretary to His Highness the Maharaja of Mysore". These bonds were transferred to the above officer by the Huzur Secretary as attorney to the late First Maharaja Kumari Jayalakshammanniavaru. They are held in the personal name of the Huzur Secretary as no officer other than the Dewan of Mysore is entitled to hold bonds in his official capacity. In my letter No. ~~239~~ 2391 P.D. dated 30th May 1921, I had proposed that the Huzur Secretary be gazetted as one of the officers entitled to hold bonds in his official capacity under section X of the Securities Regulation but my proposals were not approved. 7

The question now is whether the designation added after the name Huzur Secretary should be disregarded and the notes treated in all respects as if they were held in the personal name only of Mr. T. Thumboo Chetty (Vide Section 3 (1) Government of India Securities Act). I may in this connection state that section 24 (P) of Government of India Securities Act empowers Government to make rules enabling the holding of Government stock by the holders of offices other than public offices, and the manner in which and the conditions subject to which stock so held may be transferred.

Rule 7

Rule 7 under the Government of India Securities Act has accordingly been framed and empowers the recognition of office holders. Similar rules have been proposed in the new rules under the Mysore Government Securities Regulation which will be shortly submitted to Government.

As for obvious reasons, it is not desirable that Promissory Notes which are not the personal property of officers but which are to be held in their official capacity should be held in their personal names, I would propose for the consideration of Government that in such case such officers may be allowed to hold stock only in their official capacity. Pending instructions from Government, I have withheld the issue of a stock certificate for Rs1,13,000/- and I solicit the favour of early orders.

I may state that I make this reference of my own accord and not at the instance of the Huzur Secretary.

I have the honor to be,
Sir,
Your most obedient servant,

T. Satyanaray Chetty
Comptroller.

213 16.7.25

1 Submitted for orders.

18/7

ESR

2 Please put up copy of draft rules recently received from the Comptr. What provision is made in it to cover such cases?

11/8

neral and Revenue
Secretariat.

G 7 File No. 40 289/R of 19 25 (11)

Serial No.

3. The draft rules ~~relating~~ under the Securities Regulation received from the Comptroller have been separately worked up and submitted.

4 The provision made therein to cover case of the kind under issue is contained in rule 7 of the draft rules.

The provision ~~has~~ been newly proposed is new - and the Comptroller has sought legal opinion about ~~the~~ its inclusion and phraseology. An extract of Rule 7 is placed below.

(L)

Submitted

noxr 12-8-25)

(5) The Comptr is of opinion that in the case under reference the bonds may be permitted to be held in the official name of the Huzur Secy to H.H. instead of under the proposed new Rule 7 - if the rule is approved the name of the Huzur Secy has to be notified under the Securities Regn

16/8/25

F.C. Secy)

6 The file containing Comptr's letter

1. No 239 P.D. of 30.5.21 s/d have been put up for ref.

2 Please enquire when the New Securities Regn comes into force

3. Necessary to consult the Huzur Secy. This ref may be made after 1 & 2 are ~~completed~~ made. 20.8.25

NOTE—Contn. Sheet.

264 (21)

General and Revenue
Secretariat

G7 File No. 40 of 1925.

Serial
No

7 (2391)

7) (i) The file containing Comptroller's letter no 2039 P.R. dated 30.5.21. and order of thereon is put up but the question discussed there relates to the holding of Govt Securities in their official capacit by certain officers of the State. The decis was that no change was necessary in th existing procedure.

F.L.

8) But the point raised in the Comptroll present reference is about the holding of stock only, by certain officers in their official capacity and provision in this behalf is proposed in the draf rules (Rule 7 extract of it is put up)

9) 2) It is ascertained from the protection branch that the new Securities Regul has received the assent of His Highness and has been sent to the press for being printed in the Gazette. And that a reminder has also been sent to the Supdt to ~~see~~ that it is pr early.

10 Subd with refce to Jt Secy's queries on the previous page

21/8/25

11 22/8/25

12 I do not think this is a case of Stock in the name of an office. It is a trust holding and the new rules provide for recognition of trusts. – Let the new rules be passed. This may be put up afterwards

vide D no 591

Secy.

1699, g (30) [App. F. III—2

General and Revenue Secretariat | G2 File No. 40 of 1925

Serial No

From the Comptroller

No. S.L. 1163 dated 30.10.25

~~[illegible]~~ refers to his letter No 121. S.L dated 16th July 1925 requesting orders on the question of allowing certain officers to hold stock certificates in their official capacity and solicits early orders in the matter.

13 The previous ~~question~~ papers on which orders are required - have been ordered to be put up after the new rules under the Revised Securities Regulation are passed - vide H. Secy's orders on the previous page -

~~Subg~~ 14 The rules have not yet been passed.

15 Subd for orders

11.11.25

16 The Comptroller wants permission to enable the Huzur Secy to hold ~~bonds~~ Stock by the name of his office. This may be permitted. The new rules provide for it. There is no harm in anticipating the rules in the case of the Huzur Secy as the office & the officer are both well known. 13/11

Finl Secy)

17 Please put up draft authorising the arrangement. For the present we may quote the Section of the new Regn. which has now become law under which it is permitted 16.11.25

NOTE—Contn. Sheet

1699 (20)

[App. F. III—2

General and Revenue
Secretariat

GJ File No. 40 of 1925

Serial No

17. A draft authorising the arrangement prop by the Comptroller is put up for app. It is Subsection ^{n} 1 of Sec. 23 of the new Se Regulation which permits of the arrang and this is referred to in the draft

Subd
MBM
18/11/25

B
19/11

Fin. Secy)

It is Sub Section (o) & not (n) under which this can be permitted – Plea see draft rules drawn up and see if this case comes under trustee holdings or holdings in the names of offices other than Public offices. After verification of these points fair draft may be put up.
20/11/25

Put up fair draft. Subsecn o is the correct Subsecn

B
20/11

Fair draft put up

MBM
21/11/25

B
28/11

Fin. Secy)

I feel a doubt as to whether this can be adopted under Sec. 23 (o). I am not sure if the Huzur Treasy can be treated as "an office other than public office" for holding stock certificates. We may ~~ta~~ take legal advice

Note—Contn. Sheet

App. F. III—2]

WD 0569—GPB—40,000—31-7-25

File No. of 192 .

General and Revenue Secretariat

Serial No.

Forwarded with compts to the Secy. Land R Dept for favour of opinion

25/11/25

My opinion is placed below.

Finl Secy with compts }.

18-12

18/12

403.

19.12.25

NOTE—Contn. Sheet

O P I N I O N.

As I understand ~~the~~ Govt Securities Regulation, it is clear that under Section 6 the public office is treated as a legal persona as it were, to hold Government securities and the holder of such office for the time being is empowered to deal with such securities and a special notification in the official Gazette is necessary to recognise such public office as a legal perpersona for purposes of holding these bonds. The idea underlying it is that by fiction of law that public office is treated as a legal persona who can hold Government securities just as an idol holds property and the person that deals with it is the holder of that office ~~from time to time~~ for the time being so that in each succession to the office no transfer is necessary to be effected; whereas Clause (o) of Section 23 empowers the Government to make rules in respect of the holding of Government stock by the holders of offices other than public offices and the manner in which and the conditions subject to which stock so held may be transferred. This distinctly refers to the persons who hold private offices such as the Secretary of a Company or an incorporated society &c., and not public office i.e., office which has been held by an officer who has been entrusted with various acts, rights, occupations that affect or belong to the collective body of a State or a community, in other words, it does not apply to holders of those offices in whom the obligation of serving the public without discrimination is imposed by Regulations or rules framed thereunder.

In this view of the case it is difficult to see how the Huzur Secretary is the holder of an office other than a public office, in other words, whether he has been an individual performing purely acts connected with an estate or purely Palace functions. This question raises important issues, namely, whether he has been entrusted with statutory duties for the benefit of the public or he has [illegible] been entrusted with duties relating to the ~~personal~~ affairs of the Palace ~~but~~ only, in which the public have no concern. I see from the Civil List that the pay of this officer is paid by the Public Revenues. It is unnecessary for me for obvious reasons, to discuss about his statutory duties and to define exactly whether he holds a private office or a public office. For these reasons I am of opinion that he does not come within rule 7. I therefore share the doubt expressed by the Financial Secretary, viz. 'I am not sure if the Huzur Secretary can b treated as an office other than public office for holding stock certificates.'

18.12.'25.

D1699

[App. F. III—2

General and Revenue
Secretariat

9.F. File No. 40 of 1925

Serial No

Y R. R. Q R.

Certain State Loan Promissory Notes belon ing to the late First Maharajkumari Jayalakshammanniavaru, now stand in the name of Mr. "T.Thumboo Chetty, Huzur Secretary to His Highness the Maharaja of Mysore". These notes have been sent to the Comptroller for issue of Stock Certificates. The Comptroller has proposed that the Stock Cert ficates may be authorised to be issued under Clause (o) of Section 23 of Regulation No. VIII of 1925 in the official name of "Huzur Secretary to His Highness the Maharaja of Mysore" omitting the personal name of Mr. "T. Thumboo Chetty". Clause (o) relates to "holders of offices other than public offices" and I entertained a doubt as to whether the office of the Huzur Secretary xxx could be considered as an office~~r~~ other than a public office. If not, the case cannot be brou under Section (o). I accordingly consulted the Secretary, Local and Legislative Department. He agrees with me in thinking that the case does not come under Clause (o).

As the notes form private property, Mr. Thumboo Chetty's relation to them can only be that of a Trustee. Provision is made in Clause (n) of Section 23 of the Regulation for enabling the holders of Government stock to be described as Trustees. Whether Mr. Thumboo Chetty can hold these notes as Trustee is, however, a poin which is not clear. If he can be so described the Stock Certificates, the Comptroller can be

authorise/

1699

Serial No

R

authorised under Clause (n) to issue such Certificates in the name of Mr. T.Thumboo Chetty as Trustee for this particular property of the late First Maharaja Kumari Jayalakshammanniavaru.

As explained above, there is legal difficulty in the way of issuing Stock Certificates in the name of Mr. "T.Thumboo Chetty, Huzur Secretary to His Highness the Maharaja of Mysore" the form now proposed by Mr. ~~T.~~Thumboo Chetty. If approved, he will be requested un-officially to state if the Stock Certificates applied for by him may be issued ~~in his name~~ to him as Trustee. He will also be ~~requested~~ asked to state in what exact form his position as Trustee should be noted in the Stock Certificates.

Dewan

2/1/26

This may be done

Forwarded with compts to the Huzur Secy to HH for favour of opinion on the proposal made above.

13.2.26

No 3934 / File with above

DEWAN'S OFFICE
2 JAN. 1926
Reg. No. 4930.

Fl. W. 6. 93-25

dl 157 2/2/26
will above

8/3/26

Returned, with compliments, to the Financial Secretary to the Government of Mysore.

I regret that the suggestion made in the Financial Secretary's Note that the State Loan Promissory Notes may be issued in the name of

Continuation Sheet
Govt House

File No. of 191 .

Serial No.

Mr Thumboo Chetty as Trustee for this particular property of the late First Maharajakumari will not meet with the needs of the situation and it is therefore unacceptable. In the first place, these bonds are not now the private property of the late First Maharajakumari. They were assigned along with certain other Promissory Notes by the late Sir M. Kantharaj Urs in his Will for the specific purpose of granting scholarships to Ursu Boys and Girls and also for Maternity and Child Welfare Work in Mysore City. It was Sir M. Kantharaj Urs' particular wish that these endowments should be under the control of the Palace authorities as he thought that their proper utilization for the purpose he had in view would thereby be ensured. These bonds have therefore been endorsed by the late First Maharajakumari acting through her Attorney, to the Huzur Secretary (Mr Thumboo Chetty) who hands over the income therefrom to two Special ad hoc Committees with whom the administration of the funds vests. The bonds therefore are really in the nature of charitable endowments.

Secondly, the issue of these bonds in the personal name of Mr T. Thumboo Chetty as trustee seems to be open to certain legal objections which are set forth in paragraph 46

NOTE—Contn. sheet.

of the Government of India Securities Manual. Moreover, designating him as Trustee would seem to make him personally responsible for all the transactions relating to them and it will be difficult for him to accept such personal liability in respect of property which is administered, as stated above, by special Committees appointed for the purpose. Lastly there are other disadvantages in such a course which need not be elaborated, such as frequent endorsements in the event of every change of the Officer who holds the appointment.

The real solution of the question seems to be to recognize the Huzur Secretary as one of the holders of offices who can hold Government Securities in the name of his office, under section 6 of the Government Securities Regulation 1925. A passing reference is made to this question by the Comptroller in his letter No.2391 dated the 30th May 1921 addressed to Government and it is stated that the proposal was not approved by Government. If the Huzur Secretary could be enabled to hold securities in his official designation, many practical difficulties now experienced by him will be removed. In regard to many transactions relating to the Palace Department, Government Securities are offered

Continuation Sheet
Govt. House

File No. of 191 .

Serial No.

by contractors, tenderers, and lessees of Palace
1 land as security bonds which have to be accepted, (there being no other alternative) in the personal name of the Huzur Secretary. As may be imagined this leads to considerable inconvenience and trouble. I understand from the collection put up in this file that an exception to the rule that only the Dewan can hold Government Securities in his official name has been made in the case of the late Muzrai Superintendent, though in practice no securities were held in his official designation. This shows that there can be no objection in principle to the proposal made above. I would therefore suggest a similar exception may be made
2 in the case of the Huzur Secretary, as it will greatly facilitate his work in connection with such securities as are under reference now and also in connection with the large volume of work he has to deal with in the Palace Department.

J.P. Rajagopal

Mysore,
6th May 1926.
B

For Huzur Secretary
to H.H.the Maharaja of Mysore.

Please put up papers in [illegible]
[illegible]
[illegible]

WD 01264—GPB—40,000—17-12-25

App. F. III—2]

General and Revenue
Secretariat

File No.

of 192 .

Serial No.

1. The Huzur Secretary who was consulted in the matter of the holding of certain securities belonging to the late First Maharajakumari, in his personal name as Trustee, states that he is not agreeable to the bonds being made made out in his personal name as trustee. He, however, suggests that he may be notified under Section 6 of the Securities Regulation and empowered to hold bonds in his official capacity.

H.F.

2. It may be observed in this connection that in May 1921 the Comptroller had proposed that the holding of securities in the official names of himself, the Huzur Secretary and the Muzrai Commissioner may be authorise Since under existing rules all bonds had to be held in the name of the Dewan of Mysore and the Dewan was bein put to great trouble every now and then in having to affix his signature for bonds. To this proposal the Huzur Secretary then objected (vide his letter No. 3692 dated 20/22nd March 1922). He now suggests, however, that he may be authorised in this behalf. The old proposal may perhaps be reconsidered now and the Comptroller, the Huzur Secretary and the Inspector General of Education who has got a Financial Branch attached and who has a large number of endownments in the shape of bonds, authorised to hold securities in their official capacity so that there may be no need for reference being made every now and then to the Dewan for bonds being endorsed to parties and etc.

H:B

3. At present all the bonds are in the custody of the Bank of Mysore or the Imperial Bank of India and in the case of the Mysore Bank and the bonds with

NOTE—Contn. Sheet

Serial No.

Comptroller not sent to the Bank, there is a half-yearly inspection of the bonds by the Comptroller and a certificate of agreement of the stocks as counted with the balances in the ledgers sent to Government. If the bonds are to be kept in the name of the Comptroller and the other officers noted above the question of this verification and the officer who has to send the verification certificate has to be taken up as also the publication of the annual lists. These may be decided after orders are passed authorising the officers to hold bonds in their official capacity

B
11/5

H Secy)

There is no difficulty in authorising the Huzur Secy to hold Govt Securities in his official name. But there is one point to be considered. It is as the holder of a public office that he would hold Securities endorsed to him and whether the Securities which he can hold may be private property or trust property as in this case has to be decided.

A Whether the holder of a public office authorised under Secn 6 can hold only Securities coming into the possession of Govt or also other ~~points~~ Securities is a legal point on which we may obtain the advice of the L and L Secy

6.5'26

Dt 1575.

L & L Secy with compliments for favour of opinion re: A

It seems clear from the wording of Section 6.(1) & the offices mentioned in App III, the holder of the office for the time being may be the indorsees of the Govt Securities which come into their possession as property of Govt or which are held as trust properties by them on behalf of Govt.

When the Govt Securities are not the property of Govt, the holders of the office who are notified under Sub. Sec 1 of Sec 6 hold those Securities as trustees on behalf of Govt. The Govt would be saddled with the responsibilities as trustees & as such liable to be sued for misfeasance or misappropriation or breach of trust & be liable to all losses resulting from such acts committed by the holders, at the instance of cestuique trustents.

It is for the administrative branch to decide the expediency or otherwise of ~~its~~ making ~~&~~ Govt a trustee, in ~~and~~ other words, to accept the onerous duties of a trustee.

If it agrees to take up the onerous duties, there seems to be no legal objection

A

to ~~declare Huzur Secy~~ & authorize the Huzur Secretary to hold these Securities.

Finl Secy
with Compts }

Sd/
2/6
Pa

I would request kind

Finl Branch)

4383
1699

WD 0.264—GPB—40,000—17-12-25
App. F. III—2]

General and Revenue
Secretariat

File No. of 192

Serial No.

reference to the last sentence in the Huzur Secretary's note of 6th May 1926 – The securities referred to therein do not, I think, come into the possession of Govt. nor does the Huzur Secretary intend to hold them – if I understand the position correctly – on behalf of Govt. –

The point of law raised at A in Mr. Krishna Rao's note of 14.5.1926 may kindly be re-examined by the L. R. Secy with reference to personal discussion I had with him in this matter and his further remarks and opinion furnished –

To L. R. Secy with compliments.

3.6.26

I have carefully examined the position again. I regret that I cannot persuade myself to alter my considered opinion. If the Govt agree to accept the onerous duty of a trustee & be responsible to the cestui que trustents, they may give administrative sanction to the proposal.

Fin. Secy
with compts.

Sd
27.7

27.7

A/S.

Please put up a draft Notn. as at A & in accce with the opinion of the Huz. Secy.

28.7.26

Drafts subd.

KV
2/8

2.8.26

The dft follows previous similar ~~dft~~ notifications.

3/8

Notification may be issued.

4.8.26

I should like to discuss this with L. R. Secy

7/8/26

2nd member

FINANCIAL SECRETARY
28 JULY 1926
No.

FINANCIAL SECRETARIAT
28 JUL 1926

FINANCIAL SECRETARY
4 AUG. 1926
No.

FINANCIAL SECRETARY
7 AUG 1926
No. R 166

OFFICE OF THE
SECOND MEMBER OF COUNCIL
5 AUG. 1926
No. 935

5(699
2

WD 01264—GPB—40,000 17-12-25

[App. F. III—2

General and Revenue
Secretariat

G. 7 File No. 40 of 1925

Serial No.

91 To.
The Compiler, Mysore Gazette
no. H 1271 d 14·8·26

Notifies that the provisions of Sub-Section (1) of Section 6 of the Securities Regn of 1925 shall apply to the Huzur Secy to H.H. the Maharaja.

To. The Comptroller no. H 1272 d 14·8·26

Forwards copy of the above.

92 To.
Mr T. Thumbuchetty, Huzur Secy to H.H. the Maharaja
no. H 1273 d 14·8·26

Forwards a copy of Sl 91.

B
16/8/26

Note—Contn. Sheet

APP. F. VI. Gl.]

2 drafts

SUBJECT……………………………………

Diary No. of letter replied to……………

General and Revenue Secretariat
( )
the 192

Date of issue 14.8.26

Signed by M. B. S.

11.8.26

List of enclosures……………

Copied by……………

Examined by……………

Section G. 7

File No. 40-25

Serial No. 91

No. H 1271/

To

Notification

The Govt. of H.H. the Maharaja are pleased to declare that the provisions of Sub-section 1 of Section 6 of the Mysore Securities Regn, VIII of 1925, shall apply to "The Huzur Secy to H.H. the Maharaja."

By order,
5/8/26
H: Secy to Govt

To. The Compiler, Mysore Gazette for publication in section II of Part II of the Mysore Gazette.

H 1272/ dated 14-8-26
Copy of the above is forwarded with compliments to

over

WD 01265—GPB—31,000— 24-12-25

2 Aug 26

[PP. F. VI. Gl.]

SUBJECT..

Diary No. of letter replied to 1697

General and Revenue Secretariat
(H)
the 192

Date of issue 14.8.26

correspondence ending with

Signed by J M B S

List of enclosures..................

Copied by

Examined by..................

Section G.71
File No. 40-25
Serial No. 92

No. H1273/Gen

To
....

Dear Sir,

With reference to your un-official note no. 3934 d/ 6th May 1926, I am desired to forward herewith a copy of notification no. H1271/G.71-26 d/ 14 authorising the Huzur Secy to hold securities in his name.

Yours Sincerely
5/8/26

HK
2/8/26

T. Thumbu Chetty Esq, B.A.
Huzur Secy to H.H. the Maharaja

over